

**GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:2600
ANSWERED ON:02.08.2016
Delhi Milk Scheme
Venkatesh Babu Shri T.G.

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether Delhi Milk Scheme (DMS) is continuously incurring huge losses;
- (b) if so, the details thereof during each of the last three years and the reasons therefor;
- (c) whether the Government has any proposal to lease out DMS;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to protect the interests of the employees of DMS in case it is leased out?

Answer

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRI SUDARSHAN BHAGAT)

- (a) DMS has accumulated loss of Rs. 787.27 crore as on 31.03.2016.
- (b) The details of profit/loss position of DMS during last three years are as under:

YEARS Net Profit /Loss (In Rs crores)

2013-14 (-)15.88

2014-15 (+)6.65

2015-16 (+)55.30

The reasons for the losses are as under:

- i) Continuous increase in input cost of raw material, light diesel oil, water, polythene film, electricity & other consumable.
- ii) Lower capacity utilization of dairy.
- iii) Old Plant & Machinery
- iv) High manpower cost.

(c) & (d) The activities of DMS are commercial in nature and in order to run it as a commercial entity and make financially viable, the Union Cabinet in its meeting held on 22.04.2015 has given approval to select an Operations and Management (O & M) Agency by adopting a transparent process, through open bidding, on the basis of Lease Rental payable for use of land, building, plant and machinery etc. of DMS. Department is now in process of finalizing the e-procurement compliant of Request for Proposal (RFP) and Concession Agreement in consultation with National Informatics Centre (NIC), Integrated Finance Division (IFD) and Department of Legal Affairs.

(e) The existing manpower of DMS has been given option to go for O&M Agency or Govt. of India. If they opt for O&M Agency and O&M Agency is ready to accept them, then they will be employees of O&M Agency and shall work as per terms and conditions of O&M Agency, they shall cease to exist as the employee of Govt. of India. They can take VRS & shall be paid all the terminal benefits. If they opt to go for Govt. of India, they will be placed in 'surplus pool' and shall be adjusted on suitable vacancies thereafter as per the existing instructions notified by Government of India. Pension and other matters relating to the employees will be governed as per the Rule as 37-A of CCS (Pension) Rules, 1972.
